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NSC BRIEFING

11 September 1957

INDONESIA

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- I. Outcome of "National Roundtable Conference" now meeting in Djakarta may well be decisive in determining whether Indonesian unity can be preserved.
 - A. There is very little optimism in Djakarta that conference will be successful, although many share hope of Premier Djuanda that it will produce a more "congenial atmosphere" for the settlement of outstanding problems at a later date.
 - B. Unlikely, however, that such basic issues as provincial demands for restoration of Sukarno-Hatta cooperation, greater autonomy, Sukarno's program for "guided democracy", increasing threat of Communism and reorganization of the army can be kept under the rug.
 1. Sukarno and Hatta have held a secret meeting which probably will have important bearing on conference's outcome.
- II. Some Indonesian leaders fear that an impasse will develop and prompt Sukarno to take "drastic action" to enforce his views.
 - 25X1C A. [REDACTED] disaffected leaders are prepared for such an eventuality.
 - 25X1A 1. [REDACTED] Sumatran leaders have decided to establish an emergency government independent of Djakarta.
 2. They had first considered taking the step after learning of Communist election victories in Java, but decided to postpone it until after the conference.

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